



# Indiana Department of Revenue

# News Release

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FOR IMMEDIATE RELEASE  
April 17, 2003

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## **First Arrest in Cigarette Tax Evasion**

The Indiana Department of Revenue has filed a complaint with Clark County Prosecuting Attorney accusing an Indiana business of selling Kentucky cigarettes in Indiana. The complaint has lead to the arrest of Yohannes T. Tekle of Louisville, Kentucky. Tekle was arrested on a Class A Misdemeanor warrant for possession with intent to sell untaxed cigarettes. An investigation by the Department's Criminal Investigation Division into the business practices of Immanual's Q-Stop Grocery Plus in Clarksville, Indiana, resulted in this arrest.

Tekle is alleged to have been offering cigarettes for sale in his store without paying the Indiana Cigarette Tax. All of the cigarettes confiscated at Tekle's store were taxed in Kentucky, not in Indiana. Kentucky's cigarette tax rate is one of the lowest in the nation, thus realizing a higher profit for the seller if sold illegally in another state.

Indiana Department of Revenue Commissioner Ken Miller stated "with the disparity in tax, 55 cents in Indiana versus Kentucky's three cents we knew there would be the opportunity for noncompliance."

All cigarettes sold in Indiana are to have the 55 cents per pack tax stamp on them, verifying the tax has been paid. "This is the first arrest for this violation in our state since the tax increase," mentioned Miller.

The maximum penalty for a Class A Misdemeanor is one year in prison and a \$5,000.00 fine.

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